

Statement of PPL Montana
Before the Energy and Telecommunications Committee
Of the Montana Senate
In Opposition to Senate Joint Resolution No. 24
February 17, 2009

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Mr. Chairman and members of the Committee:

I'm Mark Lambrecht, Manager of Regulatory Affairs for PPL Montana—operator of the Colstrip Steam Electric Station. I'm here on behalf of PPL Montana and the co-owners of the Colstrip plant, including Avista Corporation, NorthWestern Energy, PacificCorp, Portland General Electric and Puget Sound Energy. PPL also owns and operates the J.E. Corette Steam Electric Station in Billings and eleven hydroelectric facilities in Montana.

Our opposition to this resolution is limited to its directive to study the final report of the Montana Climate Change Advisory Committee. The Montana Environmental Quality Council studied the final recommendations of that report last summer and decided to act on several provisions that dealt with energy efficiency, pollution prevention and conservation. We believe any further study of these recommendations would not represent the best use of an interim committee's time.

However, we support this resolution's directive to have an interim committee evaluate the impacts of Montana's participation in the Western Climate Initiative (WCI). The WCI has already prepared draft guidelines for a greenhouse gas reporting protocol, several of which are onerous and costly. The WCI is also working with the Climate Registry on its reporting protocol. The Climate Registry ~~is~~ a national nonprofit corporation based in Los Angeles, already has a reporting protocol for the electric power sector, ^{which} ~~which~~ is even more onerous than the one being developed by WCI. The Registry also assumes its protocol will be adopted by the WCI and then handed down to the participating states for adoption.

We believe it's appropriate for the Montana Legislature to evaluate the potential impacts of the WCI's reporting protocol before it becomes mandatory.

WCI's reporting protocol is the first step toward development of a regional greenhouse gas cap and trade system. We believe carbon trading and reporting should be implemented on a national scale to avoid an inefficient and costly patchwork of state-by-state and regional programs.

If this resolution's directive to study the Climate Change Advisory Committee's report is removed, we would encourage this committee to pass it. The Legislature should have authority over the state's participation in a regional partnership that would require compliance obligations for Montana industries.

Thank you for the opportunity to comment.